A	B		C	D
	(i)	(ii)		
"8.	The specified person has merged with any other—		The date of merger	The date of merger.".
	(a) entity other than a registered non-profit organisation; or			
	(b) registered non-profit organisation having objects same or similar to it but the said merger does not fulfil such conditions, as may be prescribed; or			
	(c) registered non-profit organisation that does not have same or similar objects.			

Insertion of new section 354A.

70. After section 354 of the Income-tax Act, the following section shall be inserted, namely:—

Merger of registered non-profit organisation in certain cases.

"354A. Where any registered non-profit organisation merges with any other registered non-profit organisation, the provisions of section 352 shall not apply if, —

(a) the other registered non-profit organisation has same or similar objects; and

(b) the said merger fulfils such conditions as may be prescribed.".

Amendment of section 379.

71. In section 379 of the Income-tax Act, in sub-section (2), for the words "waive any penalty imposable", the words "waive any penalty imposed or imposable" shall be substituted.

Amendment of section 393.

72. In section 393 of the Income-tax Act,—

(a) in sub-section (1), in the Table, in serial number (3), in Note 3, for the words, figures and brackets "serial number 3(iii)", the words, figures and brackets, "serial number 3(i)" shall be substituted;

(b) in sub-section (4), in the Table, against serial number 7, in column C,—

(i) in clause (a), in sub-clause (i), after the words "banking company", the words and brackets "or any co-operative society engaged in carrying on the business of banking (including a co-operative land mortgage bank)" shall be inserted;

(ii) in clause (b), in the long line, in sub-clause (c), for item (iv), the following item shall be substituted, namely:—

"(iv) on the compensation amount awarded by a Motor Accidents Claims Tribunal—

(A) to an individual; or

(B) to a person other than an individual, where the aggregate interest on such compensation does not exceed ₹ 50000 during the tax year;";

(c) sub-section (6) shall be renumbered as sub-section (6) (a) thereof and after sub-section (6) (a) as so renumbered, the following clause shall be inserted with effect from the 1st April, 2027, namely:—

"(b) The declaration referred in clause (a) may also be furnished electronically to a depository, as defined in section (2)(e) of the Depositories Act, 1996, where— 22 of 1996.

(i) the income is from units, interest on securities or dividends, as the case may be, as referred to in section 393(1) [Table: 4(i), 5(i) or 7];

(ii) such units or securities are held with such depository; and

(iii) such securities are listed on a recognised stock exchange,

in accordance with such procedure and manner, as may be prescribed.";

(d) for sub-section (7), the following sub-section shall be substituted, namely:—

"(7) The person responsible for paying any income or sum of the nature referred to in sub-section (6) shall deliver or cause to be delivered, such declaration referred therein, received from the person, as specified in column (B) of the Table in sub-section (6) or the depository, to the prescribed income-tax authority, on or before the seventh day of the month immediately following the end of each quarter in which declaration is furnished to him as per sub-section (6).".

Amendment of section 394.

73. In section 394 of the Income-tax Act, in sub-section (1), in the Table,—

(a) against Sl. No. 1, in column D, for the figure and symbol "1%", the figure and symbol "2%" shall be substituted;

(b) against Sl. No. 2, in column D, for the figure and symbol "5%", the figure and symbol "2%" shall be substituted;

(c) against Sl. No. 4, in column D, for the figure and symbol "1%", the figure and symbol "2%" shall be substituted;

(d) against Sl. No. 5, in column D, for the figure and symbol "1%", the figure and symbol "2%" shall be substituted;

(e) against Sl. No. 7, in column D, in clause (a), for the figure and symbol "5%", the figure and symbol "2%" shall be substituted;

(f) against Sl. No. 8, in column D, for clauses (a) and (b), the figure and symbol "2%" shall be substituted.

Amendment of section 395.

74. In section 395 of the Act,—

(a) in sub-section (1), for clause (c), the following clause shall be substituted, namely:—

"(c) when a certificate is issued under clause (b) or sub-section (6), as the case may be, the person responsible for paying the income or sum shall deduct the tax at the rate specified in such certificate, or deduct no income-tax, as the case may be, till its validity.";

(b) after sub-section (5), the following sub-section shall be inserted, namely:—

"(6) The application referred to in sub-section (1)(a) may also be filed before the prescribed income-tax authority, subject to such

conditions as may be prescribed, and such authority on electronic verification of the contents of the application, may—

(a) either issue a certificate for deduction of income-tax at lower rate or no deduction of income-tax; or

(b) reject such application on account of non-fulfillment of the prescribed conditions or on account of the application being incomplete.".

Amendment of section 397.

75. In section 397 of the Income-tax Act, in sub-section (1), for clause (c), the following clause shall be substituted with effect from the 1st October, 2026, namely:—

"(c) the provisions of clause (a) shall not apply to—

(i) a person in respect of a transaction where he is required to deduct tax under section 393(1) [Table: Sl. No. 2(i), 3(i) or 6(ii)]; or

(ii) a person referred to in section 393(4) [Table: Sl. No. 12.C(a)] in respect of a transaction where he is required to deduct tax on consideration for transfer of a virtual digital asset under section 393(1) [Table: Sl.No.8(vi)]; or

(iii) a resident individual or Hindu undivided family in respect of a transaction where he is required to deduct tax on any consideration for the transfer of any immovable property under section 393(2) [Table: Sl. No. 17]; or

(iv) a person notified in this regard by the Central Government.".

Amendment of section 399.

76. In section 399 of the Income-tax Act, for the figures "427" at both the places where they occur, the words, figures and brackets "427(1) and (2)" shall be substituted.

Amendment of section 400.

77. In section 400 of the Income-tax Act, for sub-section (2), the following sub-section shall be substituted, namely:—

"(2) The Board may, with the previous approval of the Central Government, issue guidelines to remove any difficulty arising in giving effect to the provisions of this Chapter and such guidelines shall be—

(a) binding on the income-tax authorities and on the person liable to deduct or, as the case may be, collect income-tax; and

(b) laid before each House of Parliament.".

Amendment of section 402.

78. In section 402 of the Income-tax Act,—

(a) in clause (27), in sub-clause (c), for the words "authorised person responsible", the words, brackets, letter and figures "authorised person, referred in clause (c) of section 2 of the Foreign Exchange Management Act, 1999, responsible" shall be substituted; 42 of 1999.

(b) in clause (47), after sub-clause (e), the following sub-clause shall be inserted, namely: —

"(f) supply of manpower to a person to work under his supervision, control or direction.".

Amendment of section 411.

79. In section 411 of the Income-tax Act, for sub-section (3), the following sub-section shall be substituted, namely:—

"(3)(a) if the amount specified in any notice of demand under section 289 is not paid within the period specified under sub-section (1),—

(i) the assessee shall be liable to pay simple interest at 1% for every month or part of a month comprised in the period; and

(ii) such period shall commence from the day immediately following the end of the period mentioned in sub-section (1) and end with the day on which the amount is paid.

(b) No interest shall be charged under this sub-section in respect of any demand raised on account of penalty levied under section 439,–

(i) up to the date of passing of the order under section 359;

(ii) up to the date of passing of the order under section 363, where the assessment or reassessment has been made in pursuance to directions issued by the Dispute Resolution Panel under section 275.".

Amendment of section 423.

80. In section 423 of the Income-tax Act, in sub-section (4), in clause (d), for sub-clause (vii), the following sub-clause shall be substituted, namely:—

"(vii) any tax credit allowed to be set off as per sections 206(2)(e) to (h) and 206(3) and (4).".

Amendment of section 424.

81. In section 424 of the Income-tax Act, in sub-section (2), for clause (f), the following clause shall be substituted, namely:—

"(f) any tax credit allowed to be set off as per sections 206(2)(e) to (h) and 206(3) and (4).".

Amendment of section 425.

82. In section 425 of the Income-tax Act, in sub-section (5), for clause (f), the following clause shall be substituted, namely:—

"(f) any tax credit allowed to be set off as per sections 206(2)(e) to (h) and 206(3) and (4).".

Substitution of new sections for sections 427 and 428.

83. For sections 427 and 428 of the Income-tax Act, the following sections shall be substituted, namely:—

Fee for default in furnishing statements.

"427. (1) Without prejudice to the provisions of this Act, where any person fails to deliver or cause to be delivered a statement as per section 397(3)(b) within the time prescribed therein, he shall be liable to pay by way of fee, a sum of ₹ 200 for every day for which such failure continues.

(2) The amount of fee referred to in sub-section (1) shall–

(a) not exceed the amount of tax deductible or collectible; and

(b) be paid before delivering or causing to be delivered the statement, as per sub-section (1).

(3) Without prejudice to the provisions of this Act, where any person who is required to furnish a statement of financial transaction or reportable account under section 508(1), fails to furnish such statement within the time prescribed under section 508(2), he shall be liable to pay by way of fee, a sum of ₹ 200 for every day for which such failure continues and such fee shall not exceed a sum of ₹ 100000.

Fee for default in furnishing return of income, audited accounts and reports.

428. Without prejudice to the provisions of this Act, where any person–

(a) required to furnish a return of income under section 263, fails to do so within the due date, as specified under sub-section (1) of the said section, he shall be liable to pay by way of fee,—

(i) a sum of ₹ 1000, if the total income of such person does not exceed ₹ 500000; and

(ii) a sum of ₹ 5000, in any other case;

(b) furnishes a return of income under section 263(5) beyond nine months from the end of relevant tax year, he shall be liable to pay by way of fee,—

(i) a sum of ₹ 1000, if the total income of such person does not exceed ₹ 500000; and

(ii) a sum of ₹ 5000, in any other case;

(c) fails to get his accounts audited for any tax year or years and furnish the report of such audit as required under section 63, he shall be liable to pay by way of fee,—

(i) a sum of ₹ 75000 for a delay up to one month for which such failure continues; and

(ii) a sum of ₹ 150000 thereafter;

(d) fails to furnish a report from an accountant as required by section 172, he shall be liable to pay by way of fee,—

(i) a sum of ₹ 50000 for a delay up to one month for which such failure continues; and

(ii) a sum of ₹ 100000 thereafter.".

Amendment of section 439.

84. In section 439 of the Income-tax Act,—

(a) in sub-section (11),—

(i) in clause (e), the word "and" occurring at the end shall be omitted;

(ii) in clause (f), for the word "apply.", the words "apply; and" shall be substituted;

(iii) after clause (f), the following clause shall be inserted, namely:—

"(g) income referred to in section 195(1)(b).".

(b) after sub-section (13), the following sub-section shall be inserted, namely:—

"(13A) Where additional income-tax is paid in accordance with section 267(5)(ii), the income on which such additional income-tax is paid shall not form the basis of imposition of penalty under this section.".

Amendment of section 440.

85. In section 440 of the Income-tax Act,—

(a) for the marginal heading, the following marginal heading shall be substituted, namely:—

"Waiver of penalty and immunity from prosecution.";

(b) for sub-sections (1) to (4), the following sub-sections shall be substituted, namely:—

"(1) An assessee may make an application to the Assessing Officer to grant waiver of penalty levied under section 439 and immunity from initiation of proceedings under section 478 or 479 on fulfilment of the following conditions: —

(a) the tax and interest payable as per the order of assessment under section 270(10) or reassessment under section 279, has been paid within the period specified in the notice of demand;

(b) where penalty has been levied under the circumstances referred to in section 439(11)(a) to (f), additional income-tax amounting to 100% of the amount of tax payable on under-reported income has been paid within the period specified in the notice of demand, in lieu of such penalty;

(c) where penalty has been levied under the circumstances referred to in section 439(11)(g), additional income-tax amounting to 120% of the amount of tax payable on under-reported income has been paid within the period specified in the notice of demand, in lieu of such penalty; and

(d) no appeal has been filed against the order of assessment or reassessment and levy of penalty referred to in clause (a), (b) and (c).

(2) An application referred in sub-section (1) shall be made within one month from the end of the month in which the order referred to in the said sub-section is received by the assessee, in such form and verified in such manner, as may be prescribed.

(3) The Assessing Officer shall, on fulfilment of the conditions as specified in sub-section (1), and after the expiry of the period of filing appeal as specified in section 358(3)(a), grant waiver of penalty under

section 439 and immunity from initiation of proceedings under section 478 or 479.

(4) No waiver or immunity under sub-section (3) shall be granted if any proceeding has been initiated under Chapter XXII.".

Omission of section 443.

86. Section 443 of the Income-tax Act shall be omitted.

Substitution of new section for section 446.

87. For section 446 of the Income-tax Act, the following section shall be substituted, namely:—

Penalty for failure to furnish information or for furnishing inaccurate information on transaction of crypto-asset.

"446. (1) If any person who is required to furnish a statement in respect of a transaction of a crypto-asset under section 509(1), fails to furnish such statement within the time prescribed under the said section, the prescribed income-tax authority under that section may impose on him, a penalty of ₹ 200 for every day for which such failure continues.

(2) The prescribed income-tax authority may impose a penalty of ₹ 50000 on a person referred in sub-section (1), if such person—

(a) provides inaccurate information in the statement and fails to remove such inaccuracy as per section 509(4); or

(b) fails to comply with due diligence the requirement under section 509(5).".

Omission of section 447.

88. Section 447 of the Income-tax Act shall be omitted.

Substitution of new section for section 454.

89. For section 454 of the Income-tax Act, the following section shall be substituted, namely:—

Penalty for failure to furnish statement of financial transaction or reportable account after a notice.

"454. Where any person, who is required to furnish a statement of financial transaction or reportable account under section 508(1), fails to furnish such statement or reportable account within the period specified in the notice issued under section 508(7), the income-tax authority prescribed under section 508(1) may impose on him, a penalty of ₹ 1000 for every day for which such failure continues, beginning from the day immediately after the period specified in such notice for furnishing such statement or reportable account expires and such penalty shall not exceed ₹ 100000.".

Amendment of section 466.

90. In section 466 of the Income-tax Act, for the figures "1000", the figures "25000" shall be substituted.

Amendment of section 470.

91. In section 470 of the Income-tax Act, the words and figures "or 447" shall be omitted.

Amendment of section 471.

92. In section 471 of the Income-tax Act,—

(a) in sub-section (1), after the words "reasonable opportunity of being heard", the words "by way of a show cause notice to that effect" shall be inserted;

(b) after sub-section (3), the following sub-sections shall be inserted, namely:—

"(4) Irrespective of anything contained in any other provision of this Act, where any draft of the proposed order of assessment under section 275 or assessment under section 270 or reassessment under section 279 is made on or after the 1st April, 2027,—

(a) penalty under section 439, if any, shall constitute part of such draft assessment or shall be imposed as a part of such order of assessment or reassessment, as the case may be; and

(b) the reference to the assessment order or the penalty order under section 439 in any of the provisions of this Act shall take reference to such order of assessment or reassessment, as the case may be.

(5) Where the approval of the Joint Commissioner is taken for passing of an order of assessment or reassessment on or after the 1st April, 2027, such approval shall also be deemed to be the approval for the imposition of penalty under section 439, if any, constituting part of such order of assessment or reassessment.".

Amendment of section 473.

93. In section 473 of the Income-tax Act,—

(a) for the marginal heading, the following marginal heading shall be substituted, namely:—

"Contravention of order made during search action.";

(b) for the words "rigorous imprisonment which may extend to two years and shall also be liable to fine", the words "simple imprisonment up to two years and with fine" shall be substituted.

Amendment of section 474.

94. In section 474 of the Income-tax Act,—

(a) for the marginal heading, the following marginal heading shall be substituted, namely:—

"Failure to afford facility for inspection of books of account during search.";

(b) for the words "rigorous imprisonment for a term which may extend to two years and shall also be liable to fine", the words "simple imprisonment for a term up to six months, or with fine, or with both" shall be substituted.

Amendment of section 475.

95. In section 475 of the Income-tax Act, for the words "rigorous imprisonment for a term which may extend to two years and shall also be liable to fine", the words "simple imprisonment for a term up to two years and with fine" shall be substituted.

Amendment of section 476.

96. In section 476 of the Income-tax Act, for sub-section (1), the following sub-section shall be substituted, namely:—

"(1) If a person fails to—

(*a*) pay the tax deducted at source by him to the credit of the Central Government, as required by or under the provisions of Chapter XIX-B; or

(b) pay tax or ensure payment of tax to the credit of the Central Government in respect of—

(A) any income by way of winnings from online games as referred in section 393(3) [Table: Sl. No. 2], excluding such winnings which are wholly in kind, as referred to in Note 2 to the said Table; or

(B) any sum by way of consideration for transfer of a virtual digital asset as referred in section 393(1) [Table: Sl. No. 8(vi)], excluding such consideration which is wholly in kind, as referred to in Note 6 to the said Table,

he shall be punishable—

(i) with simple imprisonment for a term up to two years, or with fine, or with both, where the amount of such tax exceeds fifty lakh rupees; or

(ii) with simple imprisonment for a term up to six months, or with fine, or with both, where the amount of such tax exceeds ten lakh rupees but does not exceed fifty lakh rupees; or

(iii) with fine, in any other case.".

Amendment of section 477.

97. In section 477 of the Income-tax Act, for sub-section (1), the following sub-section shall be substituted, namely:—

"(1) If a person fails to pay the tax collected by him to the credit of the Central Government, as required under section 397(3)(a), he shall be punishable—

(a) with simple imprisonment for a term up to two years, or with fine, or with both, where the amount of such tax exceeds fifty lakh rupees; or

(b) with simple imprisonment for a term up to six months or with fine, or with both, where the amount of such tax exceeds ten lakh rupees but does not exceed fifty lakh rupees; or

(c) with fine, in any other case.".

Amendment of section 478.

98. In section 478 of the Income-tax Act, for sub-sections (1) and (2), the following sub-sections shall be substituted, namely:—

"(1) If a person wilfully attempts in any manner to evade any tax, penalty or interest chargeable or imposable, or under-reports his income, under this Act, he shall be punishable—

(a) with simple imprisonment for a term up to two years, or with fine, or with both, where the amount sought to be evaded or tax on under-reported income exceeds fifty lakh rupees; or

(b) with simple imprisonment for a term up to six months, or with fine, or with both, where the amount sought to be evaded or tax on under-reported income exceeds ten lakh rupees but does not exceed fifty lakh rupees; or

(c) with fine, in any other case.

(2) If a person wilfully attempts in any manner to evade payment of any tax, penalty or interest under this Act, he shall be punishable —

(a) with simple imprisonment for a term up to two years, or with fine, or with both, where the amount sought to be evaded exceeds fifty lakh rupees; or

(b) with simple imprisonment for a term up to six months, or with fine, or with both, where the amount sought to be evaded exceeds ten lakh rupees but does not exceed fifty lakh rupees; or

(c) with fine, in any other case.".

Amendment of section 479.

99. In section 479 of the Income-tax Act, in sub-section (1), for clauses (a) and (b), the following clauses shall be substituted, namely:—

"(a) with simple imprisonment for a term up to two years, or with fine, or with both, where the amount of tax, which would have been evaded if the failure had not been discovered, exceeds fifty lakh rupees; or

(b) with simple imprisonment for a term up to six months, or with fine, or with both, where the amount of tax, which would have been evaded if the failure had not been discovered, exceeds ten lakh rupees but does not exceed fifty lakh rupees; or

(c) with fine, in any other case.".

Substitution of new sections for sections 480 and 481.

100. For sections 480 and 481 of the Income-tax Act, the following sections shall be substituted, namely:—

Failure to furnish return of income setting forth undisclosed income.

"480. If a person wilfully fails to furnish in due time the return of income, setting forth his undisclosed income for the block period, which is required to be furnished by notice given under section 294(1)(a), he shall be punishable—

(a) with simple imprisonment for a term up to two years, or with fine, or with both, where the amount of tax exceeds fifty lakh rupees; or

(b) with simple imprisonment up to six months, or with fine, or with both, where the amount of tax exceeds ten lakh rupees but does not exceed fifty lakh rupees; or

(c) with fine, in any other case.

Failure to comply with a direction of special audit or valuation.

481. If a person wilfully fails to comply with a direction issued to him under section 268 (5), he shall be punishable with simple imprisonment for a term up to six months, or with fine, or with both.".

Amendment of section 482.

101. In section 482 of the Income-tax Act, for clauses (a) and (b), the following clauses shall be substituted, namely:—

"(a) with simple imprisonment for a term up to two years, or with fine, or with both, where the amount of tax, which would have been evaded if the statement or account had been accepted as true, exceeds fifty lakh rupees; or

(b) with simple imprisonment for a term up to six months, or with fine, or with both, where the amount of tax, which would have been evaded if the statement or account had been accepted as true, exceeds ten lakh rupees but does not exceed fifty lakh rupees; or

(c) with fine, in any other case.".

Amendment of section 483.

102. In section 483 of the Income-tax Act, in sub-section (1), for the words "rigorous imprisonment for a term which shall not be less than three months but which may extend to two years and with fine", the words "simple imprisonment for a term up to two years and with fine" shall be substituted.

Amendment of section 484.

103. In section 484 of the Income-tax Act, for the longline, the following longline shall be substituted, namely:—

"he shall be punishable —

(i) with simple imprisonment for a term up to two years, or with fine, or with both, where the amount of tax, penalty or interest which would have been evaded, if the declaration, account or statement had been accepted as true, or which is wilfully attempted to be evaded, exceeds fifty lakh rupees; or

(ii) with simple imprisonment for a term up to six months, or with fine, or with both, where the amount of tax, penalty or interest which would have been evaded, if the declaration, account or statement had been accepted as true, or which is wilfully attempted to be evaded, exceeds ten lakh rupees but does not exceed fifty lakh rupees; or

(iii) with fine, in any other case.".

Amendment of section 485.

104. In section 485 of the Income-tax Act, for the words "rigorous imprisonment for a term which shall not be less than six months but which may extend to seven years, and with fine", the words "simple imprisonment for a term which shall not be less than six months but which may extend to three years and with fine" shall be substituted.

Amendment of section 494.

105. In section 494 of the Income-tax Act, in sub-section (1), for the words "imprisonment which may extend to six months, and shall also be liable to fine", the words "simple imprisonment up to one month, or with fine, or with both" shall be substituted.

Amendment of section 522.

106. Section 522 of the Income-tax Act shall be numbered as sub-section (1) thereof and after sub-section (1) as so numbered, the following sub-section shall be inserted, namely:—

"(2) No assessment under any of the provisions of this Act shall be invalid on the ground of any mistake, defect or omission in respect of quoting of a computer generated Document Identification Number, if the assessment order is referenced by such number in any manner.".

Amendment of section 536.

107. In section 536 of the Income-tax Act, in sub-section (2),—

(i) in the opening portion, for the word, brackets and figure "sub-section (3)", the word, brackets and figure "sub-section (4)" shall be substituted;

(ii) for clause (h), the following clause shall be substituted, namely:—

"(h) where any sum has been allowed as a deduction or has not been included in the total income of any person, either on account of fulfillment of certain conditions or for any other reason, for any tax year beginning before the 1st April, 2026, and such sum was required to be included in the total income of any subsequent tax year including beginning on or after the 1st April, 2026 under the repealed Income-tax Act, if it had not been so repealed, on account of violation of such conditions or for any other reason, then such sum shall be—

(i) deemed to be the income of such subsequent tax year; and

(ii) included in the total income of the said person under the same head of income as it would have been included under the repealed Income-tax Act;";

(iii) in clause (*l*), for sub-clauses (i) and (ii), the following sub-clauses shall be substituted, namely:—

"(i) shall be deemed to be the amount eligible for credit under corresponding provisions or section 206(3) or (4) of this Act, as the case may be in the case of said assessee; and

(ii) credit for the tax paid under the repealed Income-tax Act shall be allowed under this Act for the period for which it would have been allowed under the repealed Income–tax Act if the assessee otherwise continues to satisfy the conditions as specified in the corresponding provisions or section 206(3) or (4) of this Act, as the case may be in such tax years;".

Amendment of Schedule III.

108. In Schedule III to the Income-tax Act, in the Table, after serial number 38 and the entries relating thereto, the following shall be inserted, namely:—

A	B	C	D
"38A.	Disability Pension received (including service element and disability element).	An individual who has been a member of the armed forces (including paramilitary forces) of the Union.	(a) The individual has been invalided out of service in the armed forces on account of bodily disability attributable to, or aggravated by such service; and (b) the individual has not retired on superannuation or otherwise.

38B.	Any interest on compensation amount awarded by Motor Accident Claims Tribunal.	An individual or his legal heir.	Such interest is received under the Motor Vehicles Act, 1988 (59 of 1988).
38C.	Any income in respect of any award or agreement made on account of compulsory acquisition of any land.	An individual or a Hindu undivided family.	Such award or agreement is made under the provisions of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (30 of 2013), except under section 46 of the said Act.”.

Amendment of Schedule IV.

109. In Schedule IV to the Income-tax Act,—

(a) in the Table, after serial number 13 and the entries relating thereto, the following shall be inserted, namely:—

A	B	C	D
“13A.	Any income arising on account of providing capital goods, equipment or tooling to a contract manufacturer, being a	A foreign company, who is providing capital goods, equipment or tooling to the contract manufacturer for use in electronic	(a) Ownership of such capital goods, equipment or tooling remains with the foreign company; (b) such capital goods, equipment or tooling is under the control and direction of the contract manufacturer;

	company resident in India.	manufacturing in India.	(c) the contract manufacturer is located in a custom bonded area, that is, a warehouse referred to in section 65 of the Customs Act, 1962 (52 of 1962); (d) the contract manufacturer produces electronic goods on behalf of the foreign company for a consideration; (e) such exemption shall be available up to the tax year 2030-2031.
13B.	Any income which accrues or arises outside India, and is not deemed to accrue or arise in India.	An individual, being a non-resident for a period of five consecutive tax years immediately preceding the tax year during which he visits India for the first time for rendering services in India in connection with any scheme as may be notified by the Central Government.	(a) Such individual, during the relevant tax year renders any service in India in connection with any scheme as may be notified by the Central Government; (b) such exemption shall not be available beyond a period of five consecutive tax years commencing from the first tax year during which he visits India in connection with such scheme; and (c) such other conditions, as may be prescribed.
13C.	Any income accruing or arising in India or deemed to accrue or arise	A foreign company.	(a) Such foreign company is notified by the Central Government in this behalf; (b) such foreign company does not own or operate any

	in India by way of procuring data centre services from a specified data centre.	of the physical infrastructure or any resources of the specified data centre; (c) all sales by such foreign company to users located in India are made through a reseller entity being an Indian company; (d) such foreign company maintains and furnishes such information in such form and manner, as may be prescribed; and (e) such exemption shall be available up to tax year ending on the 31st March, 2047.”;

(b) after Note 2 below the Table, the following Note shall be inserted, namely:—

‘Note 3: For the purposes of Sl.No.13C,—

(a) “data centre” means a dedicated secure space within a building or centralised location where computing and networking equipment is concentrated for the purpose of collecting, storing, processing, distributing or allowing access to large amounts of data;

(b) “data centre services” means the services provided by a data centre through the use of physical infrastructure including land, buildings, mechanical electrical power equipments, cooling system, security and information technology infrastructure including servers, computers, storage systems, operating systems, security solutions, network and associated software platforms, networking and other equipment, human resource in India;

(c) “specified data centre” means a data centre which is—

(i) set up under an approved scheme and is notified in this behalf by the Central Government in the Ministry of Electronics and Information Technology; and

(ii) owned and operated by an Indian company.'.

Amendment of Schedule VI.

110. In Schedule VI to the Income-tax Act, in the Table, in Note 1, in clause (g),—

(a) for the long line, the following item shall be substituted, namely:—

"(C) of which all the units other than the unit held by a sponsor or manager are held by non-residents except,—

(I) where such non-resident becomes resident under section 6(2) or (3) or (4) or (5) or (6) or (7) in any tax year subsequent to that tax year; and

(II) the number of units held by such resident unit holder or holders do not exceed 5% of the total units issued and shall fulfil such other conditions as may be prescribed; or";

(b) in sub-clause (ii), in item (A), for the figures "2025", the figures "2030" shall be substituted.

Amendment of Schedule XI.

111. In Schedule XI to the Income-tax Act,—

(a) in Part A,—

(i) in paragraph 4,—

(A) clause (c) shall be omitted;

(B) for clause (f), the following clause shall be substituted, namely:—

"(f) the fund shall be a fund—

(i) of an establishment to which the provisions of section 1(3) of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 apply; or 19 of 1952.

(ii) of an establishment notified by the Central Provident Fund Commissioner under section 1(4) of the said Act,

and such establishment shall obtain exemption under section 17 of the said Act from the operation of all or any of the provisions of any scheme as referred to in that section;";

(ii) in paragraph 5, sub-paragraph (4) shall be omitted;